

A Testimonial for Businesses and Families

Profile

- Accessing the cash value benefit
- Protecting a family business in a down economy
- MassMutual life insurance



Left to right: Clif, Buzzy and David Coleman

Meet Buzzy Coleman and Sons.

“I didn’t know anything about insurance, I’m a construction guy. We went off of recommendations and it’s really helped us a whole lot... in good times and bad times.”

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Buzzy Coleman is chairman of Coleman-Adams Construction, Inc. Two of his children, Clif and David, also work with their dad, and together they operate as a family business with a strong focus on their customers. Their signs throughout central Virginia include the words “Repeat Business” – those words represent part of their culture and their mantra.

Concerned with the future plans of the company, Clif and David asked their father, “What do you want to see happen with the business? What’s your continuity plan?”

Buzzy knew he wanted to stay in the company and work, while his son Clif transitioned to the presidency. Rick Scruggs, a MassMutual financial professional, who has worked with the company and the family for over 20 years, came in to help put a plan in place to make this happen. “Rick has been a great facilitator in numerous meetings that we’ve had regarding succession planning and transition,” says Clif.

Rick suggested key person life insurance policies be implemented as an incentive for key people to stay under the changed leadership. The advice proved

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invaluable a few years later when a downturn in the economy threatened the viability of the company.

“Basically, we ran out of money and we had some good customers that got into some problems,” says Buzzy.

Buzzy contacted Rick and said, “I remember that we have all these cash values in the life insurance policies. How much is it?” Rick was pleased to tell him that, “it was in excess of a million dollars,” at that time.

They were able to take a loan from the cash values* in their life insurance policies to help settle the cash loss situation and keep moving. “We were able to instead of slow down, to kind of stay aggressive and keep the employees working, and it gave us cash to operate on so we could make the paychecks on Friday, and pay our bills to the subcontractors so they could keep working,” says Buzzy.

“Those resources pulled us through,” says Buzzy.

“Cash value life insurance helped save the family business.”

– Frederick “Rick” Scruggs
CLU, ChFC



* Distributions under the policy (including cash dividends and partial/full surrenders) are not subject to taxation up to the amount paid into the policy (your cost basis). If the policy is a Modified Endowment Contract, policy loans and/or distributions are taxable to the extent of gain and are subject to a 10% tax penalty. Access to cash values through borrowing or partial surrenders can reduce the policy's cash value and death benefit, increase the chance the policy will lapse, and may result in a tax liability if the policy terminates before the death of the insured.

Frederick “Rick” Scruggs is an insurance representative of Massachusetts Mutual Life Insurance Company. He is licensed to offer insurance products and services in AL, FL, GA, MD, NC, NV, OH, SC, VA, WA and WV. He cannot communicate with, nor respond to, requests from users who reside in jurisdictions where he is not licensed to conduct insurance business.

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